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LITCHFIELD PARK SERVICE COMPANY

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12725 W. Indian School Rd., Suite D-101, Avondale, Arizona 85323

AZ CORP COMMISSION
DOCKET CONTROL

April 18, 2008

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Attention: Document Control

RE: Compliance Filing Per Decision No. 69165, Docket No. SW-01428A-06-0444
Capacity Reservation Charge Tariff

In an Order filed December 5, 2006, the Arizona Corporation Commission (ACC) approved an Off-Site Facilities Hook Up Fee Tariff, but then further ordered that it not become effective at the Litchfield Park Service Company (LPSCO) – Wastewater Division until certain issues identified within the Order with respect to odor abatement were resolved. Those Orders were complied with in accordance with the schedule stipulated in Decision No. 69165, Docket No. SW-01428A-06-0444. Accordingly, ACC staff docketed a Memorandum on March 21, 2008 recommending that the Off-Site Facilities Hook Up Fee Tariff become effective April 1, 2008.

Section I of the Tariff Schedule for the Off-Site Facilities Hook Up Fee stipulates that: these charges are applicable to all new service laterals established after the effective date of the tariff (April 1, 2008). Sections IV (C) (1) and (2) of the tariff further stipulate that the fees (charges) become payable when operational acceptance of the on-site services identified in the LXA is issued or at the time wastewater service is requested. However, LPSCO entered into a number of Line Extension Agreements (LXA's) with developers/builders prior to that dates of March 21, 2008 and April 1, 2008. The developers/builders and LPSCO entered into the LXA's on the understanding that at the time there was no Off-Site Facilities Hook Up Fee in effect. These developers/builders will argue that the service laterals were established at the time of entering into the LXA's and to have to pay for unplanned fees at this juncture is unreasonable and detrimental to the economic viability of their projects.

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LPSCo is requesting that ACC clarify the intent of the application of Tariff Schedule for the Off-Site Facilities Hook Up Fee, specifically, to rule whether or not LPSCo is legally required to collect the fees for service laterals that were part of LXA's signed prior to April 1, 2008 but will not have received operational acceptance until after April 1, 2008.

Your early attention to this matter will be very much appreciated.

Yours very truly,
LITCHFIELD PARK SERVICE COMPANY



Robert B. Dodds, President

cc. Greg Sorensen, General Manager
Matthew Garlick, Business Manager
Ed Pamatat, Utility Planning